

**IN THE CHANCERY COURT FOR LEWIS COUNTY, TENNESSEE  
AT HOHENWALD**

<b>IN RE:</b>	)	
	)	
<b>SENTINEL TRUST COMPANY</b>	)	<b>NO. 4781</b>
	)	
	)	

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**MOTION FOR APPROVAL OF FINAL DISTRIBUTION TO BONDHOLDERS  
ON HOUSTON COUNTY, GEORGIA/GRANTLEY BOND ISSUE, FOR THE  
CLOSING OF MATTERS RELATING TO THAT ISSUE SAVE THROUGH  
THE PROOF OF CLAIM PROCESS AND FOR ENTRY OF AN ORDER AS  
FINAL PURSUANT TO RULE 54.02 TENN.R.CIV.P.**

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**I. INTRODUCTION**

Sentinel Trust Company, in Liquidation ("Sentinel Trust") moves the Court 1) to approve the final distribution to bondholders of the Development Authority of Houston County, Georgia First Mortgage Revenue Bonds (Grantley, Inc. Project), Series 1998A and Taxable Series 1998B -- hereinafter "Houston County Bond Issue," 2) to close all matters regarding claims of Houston County Bond Issue bondholders save through the pending Sentinel Trust receivership proof of claim process and 3) to have the Order of Court issued in relation to this Motion be entered as a Final Order pursuant to Rule 54.02 Tenn.R.Civ.P. This Motion is filed and approval of the Court is sought pursuant to T.C.A. § 45-2-1504(a).

**II. FACTUAL BACKGROUND**

The Houston County Bond Issue related to the financing of the construction of an assisted living facility in Warner Robins, Houston County, Georgia. Prior to the institution of the Sentinel Trust receivership, Grantley, Inc., the borrower in relation to the Houston County Bond Issue, was making payments to Sentinel Trust. But, soon after the institution of the Sentinel

Trust receivership (i.e., May 2004), it became apparent that the revenues of the assisted living facility would not continue to be sufficient to service the Houston County Bond Issue debt. Several months after the May 2004 institution of the Sentinel Trust receivership, the Houston County Bond Issue fell into default.

Thereafter, Grantley, Inc. forwarded to the Sentinel Trust Receiver \$15,000 to defray expenses associated with the default and the anticipated foreclosure sale (e.g., appraisal charges and attendant professional service charges). A foreclosure sale of the facility occurred in Houston County, Georgia on April 5, 2005 with the highest bid being \$2.5 million. The closing of the sale was contingent, however, upon approval of the sale by this Court. On April 18, 2005, the Sentinel Trust Receiver filed with this Court a motion seeking approval of that sale. That motion was heard by the Court on May 9, 2005 and was granted. On May 19, 2005, the Court signed the Order which approved the sale and which made the order final and appealable under Rule 54.02 Tenn.R.Civ.P. See copy of Order attached as **Exhibit A**. The Court's Order was entered on the docket on May 23, 2005. See id. No Notice of Appeal was filed, and the Court's approval of sale order is now non-appealable.

On Friday, July 8, 2005, the foreclosure sale transaction closed and, thereafter, the net proceeds of \$2,501,408.68 were transferred to the Sentinel Trust receivership. Because the Houston County Bond Issue fell into default after the May 18, 2004 institution of the Sentinel Trust receivership, no funds had been taken by previous Sentinel Trust management from the SunTrust Pooled Fiduciary Account to address efforts in relation to that default. Thus, the distribution of the funds requested herein does not include a payment of any amount to the Pooled Fiduciary Account.

Indeed, because Grantley, Inc. had made payments to Sentinel Trust prior to the May 18, 2004 receivership (said payments having been placed in the Pooled Fiduciary Account), there was supposedly a positive “account balance” of \$99,369.22 that, as of May 18, 2004, Sentinel Trust was to be holding, in trust, for the Houston County Bond Issue. Therefore, the Houston County Bond Issue bondholders have the ability to file a Proof of Claim with the Sentinel Trust Receiver to recoup a pro rata amount of what should have been held in trust for them by former Sentinel Trust management.

### **III. DEDUCTION OF FEES AND EXPENSES**

As noted above, because the Houston County Bond Issue fell into default after the May 18, 2004 institution of the Sentinel Trust receivership, there does not exist on that bond issue a pre- May 18, 2004 (or pre-receivership) “negative” or “overdraft” position as to the SunTrust Pooled Fiduciary Account which, when the receivership was initiated, had a multi-million dollar shortfall. Accordingly, there are no funds from the realization of the Houston County Bond Issue collateral that are to be “paid back” to the Pooled Fiduciary Account. Similarly, because the Houston County Bond Issue was paying through the time of the institution of the Sentinel Trust receivership, there are no pre- May 18, 2004 fiduciary fees or other attendant fees or expenses owed to Sentinel Trust, except one fiduciary fee which was due on April 1, 2004 and which, at the time of the institution of the Sentinel Trust receivership, had not been paid. See Exhibit B attached hereto.

There are fees and expenses relating to the Houston County Bond Issue default that are post- May 18, 2004 fiduciary fees, default administration and termination fees, counsel fees and receivership expenses/administrative expenses. The charging of post- May 18, 2004 fiduciary, default administration and related fees and charges is based on fees and charges set by the Houston County Bond Issue documents and published fee schedules. These fees total

\$51,028.02 (see **Exhibit B**).<sup>1</sup> A significant portion of these post- May 18, 2004 fees are attorneys' fees and expenses from the law firm of Wyatt, Tarrant & Combs, LLP in the amount of \$14,393.66.<sup>2</sup> These fees and expenses relate to work and court appearances on the Houston County Bond Issue, as well as relate to the foreclosure and sale of the property. The fiduciary fee, default administration fee and termination fee assessments are all fees that would have been charged by previous Sentinel Trust management upon the Houston County Bond Issue default. These post- May 18, 2004 fees have been assessed by the Sentinel Trust Receiver on the other defaulted bond issues it has dealt with and have been approved by the Court in numerous previous motions to approve final distribution on those other defaulted bond issues. To the extent that payment to the Sentinel Trust receivership of post- May 18, 2004 fiduciary fees, default administration fees and termination fees (which, along with funds from other sources, go to fund the operations of the Sentinel Trust receivership) results in an excess of funds at the time of determination of final distribution to then remaining claimants and creditors, those funds will be used to increase the pro rata distribution to claimants and creditors of the Sentinel Trust receivership estate.

Finally, expenses are expected to be incurred in the distribution of monies to the Houston County Bond Issue bondholders. It is anticipated that an invoice of approximately \$3,500.00 will be received from the Sentinel Trust Receiver's Houston County, Georgia local counsel, H. David Moore for fees and expenses. It is also anticipated that additional legal fee invoices from Wyatt, Tarrant & Combs, LLP of \$3,000.00 to \$4,000.00 will be submitted. To address

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<sup>1</sup> This \$51,028.02 amount includes, for simplicity of presentation, the fiduciary fee referred to above which had come due on April 1, 2004, but which had not been paid as of the institution of the Sentinel Trust receivership.

<sup>2</sup> The legal fees presented in **Exhibit B** regarding post- May 18, 2004 legal services consist of amounts either already approved by the Court or amounts (i.e., May 2005 and June 2005 fees) that will be submitted for approval by the Court.

these future residual expenses, the Sentinel Trust Receiver proposes that the amount of \$9,969.66 be held back from the distribution to these bondholders. See Exhibit B.

#### **IV. DISTRIBUTION TO BONDHOLDERS**

As shown in **Exhibit B**, the amount that would remain yields a distribution to the Houston County Bond Issue bondholders of approximately 46¢/\$1.00.

#### **V. ARGUMENT IN FAVOR OF DISTRIBUTION TO BONDHOLDERS AND PAYMENT OF FEES AND EXPENSES AS SET FORTH HEREIN**

The forty-six cents (46¢) per dollar payoff, while not a full payoff, is an amount that, to the Sentinel Trust Receiver's knowledge and experience, surpasses many payoffs in bankruptcy/default contexts. The \$51,028.62 in fees and expenses deducted from the approximately \$2,516,000.00 amount were for post-receivership fees and expenses, much of which were for attorneys' fees attendant to the foreclosure and sale of the property at a price that was approved by the Court and which was the result of a foreclosure sale attended by individuals representing the majority of the bondholders. The post- May 18, 2004 fiduciary fees, default administration fees, termination fees and other attendant charges are based upon the fees and expenses allowed by the bond issue documents and published fee/charge schedules and are the exact fees assessed post- May 18, 2004 on other defaulted bond issues, all of which have been approved by previous orders of this Court. As mentioned earlier, these fees and expenses (along with funds from other sources) are funding the operations of the Sentinel Trust receivership, including the efforts to further recover funds and to grow the assets of the receivership estate. Any excess monies at the end of the receivership will be distributed to the then remaining creditors and claimants. Accordingly, the Sentinel Trust Receiver urges the Court to approve the distribution of the \$2,516,408.68 received in relation to the Houston County Bond Issue as set forth in **Exhibit B** hereto.

**VI. REQUEST FOR COURT TO ORDER THAT PAYMENT OF PROPOSED  
DISTRIBUTION TO BONDHOLDERS EXTINGUISHES ALL CLAIMS AS AGAINST  
SENTINEL TRUST SAVE THROUGH THE PROOF OF CLAIM PROCESS**

The Sentinel Trust Receiver requests that, as part of the Court's Order approving the Houston County Bond Issue distribution, the Court provide that the bondholders' recourse regarding matters relating to the Houston County Bond Issue be limited to presenting a proof of claim in the pending proof of claim process. As has earlier been stated to the Court in different contexts, it is extremely important that multiple actions by varying groups of bondholders, racing to the courthouse to gain advantage as to one another, not be allowed. Similarly, it is very important that the proof of claim process be the venue for uniform treatment of claimants under this Court's supervision and that the Sentinel Trust Receiver's pursuit of third-party claims on behalf of all claimants be allowed unimpeded. For these reasons, it is requested that the Court's Order include a provision requiring any Houston County Bond Issue bondholder to pursue claims relating to that bond issue in the Sentinel Trust receivership through the proof of claim procedure established in this receivership. This request for relief has been made by the Sentinel Trust Receiver in motions seeking approval of distributions to bondholders in other defaulted bond issue contexts<sup>3</sup> and has been allowed by the Court in every instance requested.<sup>4</sup>

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<sup>3</sup> Motions for approvals of final distributions of other defaulted bond issues, wherein this relief has been requested, are as follows: Washington County, Mississippi (12/6/04); Lee County, Alabama (12/6/04); Maplecrest-Nashville (12/6/04); Thompson Place-Nashville (2/17/05); Ft. Pierce, Florida (2/17/05); Hernando County, Florida (2/17/05) and Tarrant County, Texas (2/17/05).

<sup>4</sup> The Orders of Court allowing such relief are as follows: Washington County, Mississippi Order (E.O.D. 12/15/04); Lee County, Alabama Order (E.O.D. 12/15/04); Maplecrest-Nashville Order (E.O.D. 12/15/04); Thompson Place-Nashville Order (E.O.D. 3/1/05); Ft. Pierce, Florida Order (E.O.D. 5/23/05); Hernando County, Florida Order (E.O.D. 5/23/05) and Tarrant County, Texas Order (E.O.D. 5/23/05).

Moreover, the Houston County Bond Issue bondholders are involved in the proof of claim process in any event. As mentioned earlier, prior to May 18, 2004, the Houston County Bond Issue was not in default, and Grantley, Inc. (the borrower in the bond issue) was making payments to Sentinel Trust concerning that bond issue. The pre- May 18, 2004 payments were deposited in the earlier-referenced SunTrust Pooled Fiduciary Account and, as of May 18, 2004, the Houston County Bond Issue had a positive balance “on account” in the SunTrust Bank Pooled Fiduciary Account of approximately \$99,369.22. See Exhibit B. It is the SunTrust Bank Pooled Fiduciary Account which has the shortfall/deficiency of funds, and which will be a primary focus of the proof of claim process. Accordingly, the Houston County Bond Issue bondholders have received information from the Sentinel Trust Receiver concerning their potential claims as against the SunTrust Pooled Fiduciary Account. See Exhibit C (copy of an example of proof of claim information and form sent, on January 31, 2005, to each current Houston County Bond Issue bondholder known to the Sentinel Trust Receiver). Therefore, in making claim in the proof of claim process, any Houston County Bond Issue bondholder can make, in that forum, whatever further claims he/she/it feels would be appropriate.

**VII. REQUEST TO CERTIFY ANY ORDER APPROVING FINAL  
DISTRIBUTION AS FINAL PURSUANT TO RULE 54.02 TENN.R.CIV.P.**

The Sentinel Trust Receiver further moves that if the Court approves the matters requested herein and has an order entered to that effect, then that order should be certified as a final order pursuant to Rule 54.02 Tenn.R.Civ.P. There is no just reason for delaying the finality of an order approving distribution of funds being held in relation to the Houston County Bond Issue default. The certainty of payments sent to bondholders is enhanced through the entry of any order as a final order. Moreover, the Court has certified as final (and expressly directed the Clerk & Master to enter as final) orders addressing final distribution of funds on other defaulted

bonds (see e.g., Ft. Pierce, Florida Order (E.O.D. 5/23/05); Hernando County, Florida Order (E.O.D. 5/23/05) and Tarrant County, Texas Order (E.O.D. 5/23/05)).

### **VIII. NOTICE TO BONDHOLDERS**

Notice of this Motion has been provided to all of the current Houston County Bond Issue bondholders known to the Sentinel Trust Receiver. That Notice, a copy of which is attached as **Exhibit D**, was mailed on Friday, July 15, 2005, to each current bondholder at his/her/its address as reflected in the Sentinel Trust records. That Notice informs the bondholders of much of the contents of this Motion, informs them of when and where the hearing of this Motion is to occur, directs them to the Department of Financial Institutions website to review the full text of this Motion (including exhibits) and provides them with telephone numbers to call with questions.

### **IX. CONCLUSION**

For the stated reasons, the Sentinel Trust Receiver requests that an Order of Court issue as requested herein.

Respectfully submitted,

  
\_\_\_\_\_  
J. Graham Matherne, BPR #11294  
Wyatt, Tarrant & Combs, LLP  
2525 West End Avenue, Suite 1500  
Nashville, TN 37203-1423  
(615) 244-0020

*Counsel for Jeanne Barnes Bryant and Receivership  
Management, Inc., Receiver of Sentinel Company,  
in Liquidation*

**THIS MOTION IS SET TO BE HEARD ON THE 1<sup>ST</sup> DAY OF AUGUST, 2005  
AT 9:00 A.M. IN HOHENWALD, LEWIS COUNTY, TENNESSEE.**



**CERTIFICATE OF SERVICE**

This is to certify that on July 15<sup>th</sup> 2005 a copy of the foregoing Motion including Exhibits has been sent by First Class U.S. Mail, postage paid, and also by facsimile as noted, to:

Janet M. Kleinfelter  
Office of the Attorney General  
Financial Division  
425 5th Avenue North  
P.O. Box 20207  
Nashville, TN 37243

Carrol Kilgore  
Branstetter, Kilgore, Stranch & Jennings  
227 Second Avenue North, 4<sup>th</sup> Floor  
Nashville, TN 37201  
also via fax (615-255-5419)

Donald Schwendimann  
12 East Fourth Avenue  
P.O. Box 366  
Hohenwald, TN 38462  
also via fax (931-796-5692)

Larry Stewart  
Stokes, Bartholomew, Evans & Petree  
424 Church Street, Suite 2800  
Nashville, TN 37219

David D. Peluso  
106 East Main Street  
Hohenwald, TN 38462

James S. Hereford, Jr.  
310 W. College Street  
P.O. Box 802  
Fayetteville, TN 37334-0802

William B. Hubbard  
Weed, Hubbard, Berry & Doughty  
SunTrust Bank Bldg., Suite 1420  
201 Fourth Avenue North  
Nashville, TN 37219

Diana M. Thimmig  
Roetzel & Andress  
1375 East Ninth Street  
One Cleveland Center, Ninth Floor  
Cleveland, OH 44114

James S. Chase & John A. Decker  
Hunton & Williams LLP  
900 South Gay Street, Suite 2000  
P.O. Box 951  
Knoxville, TN 37901

Lawrence E. O'Neal, Jr.  
O'Neal, Long & Hall  
P. O. Box 730  
Warner Robins, GA 31099

H. David Moore, Esq.  
Post Office Drawer 8269  
Warner Robins, GA 31095-8269

  
\_\_\_\_\_  
J. Graham Matherne

45283616.1

RECEIVED  
5/10/05

IN THE CHANCERY COURT OF LEWIS COUNTY  
AT HOHENWALD, TENNESSEE

FILED \_\_\_\_\_  
AT 10:00 O'CLOCK A.M.

MAY 23 2005

IN RE: SENTINEL TRUST COMPANY )  
)  
)  
)

JANET WILLIAMS, CLERK & MASTER  
CASE NO. 4781 BY Selena Wix

**ORDER APPROVING SALE OF HOUSTON COUNTY, GEORGIA FACILITY AND  
CERTIFYING ORDER AS FINAL UNDER RULE 54.02 TENN.R.CIV.P.**

On April 18, 2005, the Sentinel Trust Receiver filed with the Court a Motion for Approval of Sale of Houston County, Georgia Facility and to Certify Order Approving Sale as Final Pursuant to Rule 54.02 Tenn.R.Civ.P. ("Motion for Approval of Houston County Sale"). This Motion for Approval of Houston County Sale came before the Court for argument on Monday, May 9, 2005.

For the reasons set forth in the Receiver's Motion for Approval of Houston County Sale, and in light of argument received on May 9, 2005, the Court grants the pending motion and approves the sale of the Houston County, Georgia Facility upon the terms set forth in the Memorandum of Foreclosure Sale attached as Exhibit A to the Motion for Approval of Houston County Sale.

It is further ORDERED that the net proceeds from the sale of the Houston County, Georgia Facility are to be held by the Receiver until further directive of the Commissioner-in-Possession and Order of this Court.

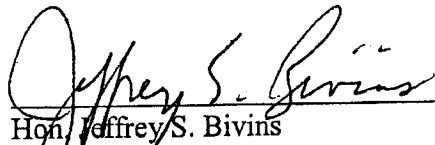
Additionally, the Court has considered the argument of the Receiver's counsel for certifying this Order as final pursuant to Rule 54.02 Tenn.R.Civ.P. Specifically, the Court has considered that, without this Court's order becoming final and then in thirty (30) days non-appealable, a title insurance policy would not likely issue and, thus, the sale of the Houston

EXHIBIT

A


County, Georgia Facility would not be able to close. This factor dispositively weighs in favor of certifying this Order as final under Rule 54.02 Tenn.R.Civ.P. Accordingly, there appearing reason for such certification and there appearing no reason or just cause for delay, the Court finds that this Order shall constitute a final, ~~non-appealable~~<sup>JB</sup> order on the matters addressed herein and shall be considered as such upon entry on the docket. Rule 54.02 Tenn.R.Civ.P.

It is so ORDERED, this the 19<sup>th</sup> day of May, 2005.



Hon. Jeffrey S. Bivins  
Circuit Court Judge Sitting As Chancellor

Submitted for Approval

  
J. Graham Matherne, #11294  
WYATT, TARRANT & COMBS, LLP  
2525 West End Avenue, Suite 1500  
Nashville, Tennessee 37203-1423  
(615) 244-0020

*Counsel for Receivership Management, Inc.  
Receiver of Sentinel Trust Company, in Liquidation*

**CERTIFICATE OF SERVICE**

This is to certify that on May 9<sup>th</sup>, 2005 a copy of the foregoing Order has been sent by First Class U.S. Mail, postage paid, to:

Janet M. Kleinfelter  
Senior Counsel  
Office of the Attorney General  
Financial Division  
425 5th Avenue North  
P.O. Box 20207  
Nashville, TN 37243

Carrol Kilgore  
Branstetter, Kilgore, Stranch & Jennings  
227 Second Avenue North  
4<sup>th</sup> Floor  
Nashville, TN 37201

Donald Schwendimann  
306 W. Main Street  
P.O. Box 366  
Hohenwald, TN 38462

Larry Stewart  
Stokes, Bartholomew, Evans & Petree  
424 Church Street, Suite 2800  
Nashville, TN 37219

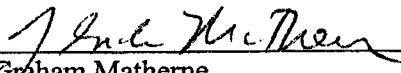
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Nashville, TN 37219

Diana M. Thimmig  
Roetzel & Andress  
1375 East Ninth Street  
One Cleveland Center, Ninth Floor  
Cleveland, OH 44114

James S. Chase  
John A. Decker  
Hunton & Williams LLP  
900 South Gay Street, Suite 2000  
P.O. Box 951  
Knoxville, TN 37901

  
\_\_\_\_\_  
J. Graham Matherne

Sentinel Trust Company  
Development Authority of Houston County, Georgia  
First Mortgage Revenue Bonds  
(Grantley, Inc. Project),  
Series 1998A and 1998B  
\$5,285,000  
Default Issue

Final Accounting for Final Distribution to Houston County, GA  
Bondholders  
**Account Summary for Houston County, GA-Grantley**

Summary

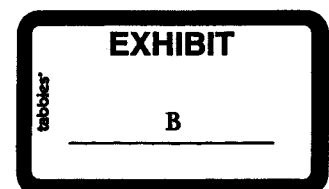
Money Received Post May 18, 2004 from sale of Facility	\$ 2,501,408.68
Receipt from borrower regarding advance on default expenses	15,000.00
Total Pre May 18, 2004 Payable Due Fiduciary Account	-
Total Pre May 18, 2004 Payable Due Sentinel Trust Company	-
Total Pre May 18, 2004 Attorney's Fees Unpaid	-
Total Post May 18, 2004 Expenses Due	<u>(51,028.02)</u>
<b>Net Total Available to Bondholders</b>	<b>2,465,380.66</b>

<b>Total Amount Payable to Bondholders</b>	<u><b>(2,455,411.00)</b></u>
(Payout of \$5,285,000 X \$0.4646)	

<b>Residual Balance for Final Expenses</b>	<u><u><b>\$ 9,969.66</b></u></u>
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Account Detail		Bond #117
<b>Assessment of Fiduciary Fees for Houston County, GA-Grantley Post May 18, 2004</b>		
Fiduciary Fee due October 1, 2004		(6,875.00)
Fiduciary Fee due April 1, 2004		(6,875.00)
Default Administration Fee through 06-30-05		(3,050.00)
Termination Fee based on Original Issue Amount:		(13,750.00)
Cumberland & Ohio Co		(780.00)
Providence Valuation Group (Appraisal)		(5,000.00)
Wyatt, Tarrant, and Combs (Thru 06-30-05)		(14,393.56)
Other Fee Assessment		(304.46)
<b>Total Expenses Post May 18, 2004</b>		<b>(51,028.02)</b>

Pre May 18, 2004 Deposits	\$99,369.22
(Proof of Claim Amount)	



## Receivership Management, Inc.

P. O. Box 2307 Brentwood, TN 37024 (615) 370-0051 FAX (615) 373-4336

### Information Concerning Filing Proof of Claim

**\$5,500,000 Development Authority of Houston County (Grantley, Inc. Project) Series 1998 ("Bonds")  
CUSIP# 442025AP7 and AQ5**

Sentinel Trust Company (the "Trustee") serves as indenture trustee for this issue. Bondholders have previously been notified of the liquidation of Sentinel Trust Company, the status of the default bond and that the Receiver is attempting to sell the collateral for the loan financed by the Bonds. When the Receiver is able to recommend a sale of such collateral to the Court, you will receive information concerning the exact par value payment that you will receive concerning your bond principal and how to surrender bonds to collect their final distribution. A separate process is required concerning any additional claims that may exist against Sentinel Trust apart from claims concerning payment for the bond principal. In order to collect on those claims, **you must file the enclosed proof of claim for any additional amounts claimed concerning your bond or as against Sentinel Trust generally.**

The Commissioner of Financial Institutions placed Sentinel Trust Company in receivership on May 18, 2004. The Sentinel Trust receivership proceedings are pending before the Lewis County Tennessee Chancery Court (In re: Sentinel Trust Company #4781) ("Court"). As of May 18, 2004, according to the records of the company, the Houston County bond issue was credited with and should have had on deposit with Sentinel Trust in a pooled fiduciary account held at SunTrust Bank ("pooled fiduciary account"), the amount of \$99,369.22. **Without regard to any other potential claimants as to the \$99,369.22 amount, and based on the records of Sentinel Trust Company concerning the par value of your bond \$20,000.00 , the Receiver believes that you have a claim concerning those funds in the amount of \$376.04 .**

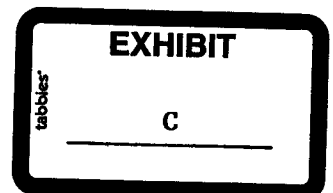
As noted in the enclosed proof of claim, you have until July 31, 2005 to file a claim for those funds. If you agree with the amount noted above, please fill out the form as indicated and file your claim. If you believe you are entitled to any additional amounts from the Sentinel Trust receivership estate other than the amount indicated by the Receiver, or the amount you are expecting concerning the sale of the bond collateral, please indicate the amount you are claiming and supply documentation concerning your claim. Please be advised that there may be other claims filed with the Receiver that may compete with your claim to a portion of the \$99,369.22 amount noted above. You will be advised as soon as possible after the claim filing deadline of the recommendation to the Court concerning your claim.

Based on the records of the company, the Receiver is advising all known claimants that the pooled fiduciary account could have approximately \$10,250,000 total claims against it. The amount of claims against the pooled fiduciary account will not be known with any certainty until after the July 31, 2005 claims bar date. At present there is approximately \$2,500,000 in the pre May 18 pooled fiduciary account. The Receiver anticipates that this amount will increase, but to what amount is presently unknown.

The Receiver will file a report with the Court as soon as possible after the claim filing deadline to advise of the total amount of approved claims and any pro-rata distribution.

Please refer to the website for the Tennessee Department of Financial Institutions at [www.state.tn.us/financialinst/](http://www.state.tn.us/financialinst/) to view updates as to any reports filed with the Court.

**Questions about this notice may be directed to the Receiver for Sentinel Trust Company, Jeanne Barnes Bryant at 615-370-0051.**



PLEASE READ THIS FORM CAREFULLY AND NOTE THAT YOU ARE MAKING THE FOLLOWING STATEMENTS UNDER OATH:

**PROOF OF CLAIM**  
AGAINST

**SENTINEL TRUST COMPANY**

BEFORE ME, the undersigned Notary Public, appeared the person whose name is subscribed hereto, who states under oath that, after deducting all offsets and counterclaims the above entity is indebted to her/him as follows:

(Receiver's Use Only)

Claimant Name \_\_\_\_\_ Claim No. \_\_\_\_\_  
(Party who is executing this claim and to whom payment should be made)

Claimant Address \_\_\_\_\_  
(Street or Box Number) (City) (State) (Zip)

Contact Number \_\_\_\_\_ E-Mail \_\_\_\_\_ Tax ID# \_\_\_\_\_  
(Required)

**To the extent that the claim relates to a particular bond issue, that information is as follows:**

Bond Issue Name: \_\_\_\_\_ Cert.# \_\_\_\_\_ CUSIP# \_\_\_\_\_  
(Series No.)

Type of Claim: \_\_\_\_\_ Bond Issuer \_\_\_\_\_ Bondholder \_\_\_\_\_ Other

Amount of Claim: \_\_\_\_\_ Interest \_\_\_\_\_ Principal \_\_\_\_\_ Other

**If filing a claim other than which relates to a specific bond issue (i.e. employee or vendor), please state the following:**

Nature of Claim: \_\_\_\_\_ Amount: \_\_\_\_\_

**Please attach all supporting documentation for any claim.**

That the above is TRUE & CORRECT, justly owed, and no part of the amount claimed has been paid by Sentinel Trust Company, or any other source. Should monies from any other source be disbursed, I will contact the Receiver and report the amount.

\_\_\_\_\_  
Claimant Signature

SUBSCRIBED AND SWORN BEFORE ME, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

\_\_\_\_\_  
NOTARY NAME TYPED/PRINTED

My Commission Expires: \_\_\_\_\_

**ALL CLAIMS MUST BE PRESENTED AT THIS ADDRESS ON OR BEFORE July 31, 2005 4:30PM CST**

Receivership Management, Inc. P. O. Box 2307 Brentwood, TN 37024 or 215 Centerview Dr., Suite 133 Brentwood, TN 37027 (615) 370-0051 (Filings by Fax are not accepted)

# Receivership Management, Inc.

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P. O. Box 2307 Brentwood, TN 37024 (615) 370-0051 FAX (615) 373-4336

## NOTICE TO BONDHOLDERS

### **\$5,500,000 DEVELOPMENT AUTHORITY OF HOUSTON COUNTY FIRST MORTGAGE REVENUE BONDS ( Grantley, Inc. Project) Series 1998A and 1998B “(Bonds”) CUSIP#442025AP7 and AQ5.**

Sentinel Trust Company (“the Trustee”) serves as indenture trustee under that certain Mortgage and Trust Indenture dated as of April 29, 1998 between the Trustee and Development Authority of Houston County, Georgia (“the Issuer”). The current outstanding principal amount of the Bonds is \$5,285,000.00.

The Receiver for Sentinel Trust Company has filed with the Chancery Court in Lewis County, Tennessee a Motion requesting approval to make a final distribution to bondholders. The estimated distribution will be approximately \$464.60 per \$1,000.00 principal amount of the Bonds. The final distribution represents the amount available for bondholders after deducting all fees incurred in connection with the collateral sale, default administration, legal and professional fees. Once this Motion is approved and becomes final, you will receive a notice of payment, and directions on surrendering your certificate for payment.

Please refer to the Tennessee Department of Financial Institutions website at [www.state.tn.us/financialinst/](http://www.state.tn.us/financialinst/) to view the Motion and Exhibits concerning these fees and expenses. The Motion for Approval for payment to bondholders will be heard in the Lewis County Chancery Court in Hohenwald, Tennessee on August 1, 2005.

**Bondholders with questions about this notice may contact the Receiver for Sentinel Trust Company, Jeanne Barnes Bryant at 615-370-0051.**

Dated: July15, 2005

Sentinel Trust Company, as Trustee

